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Now Deel is accusing Rippling of spying by ‘impersonating’ a customer

Julie Bort — 1:04 PM PDT · June 3, 2025

IMAGE CREDITS: VAUGHN RIDLEY / SPORTSFILE FOR COLLISION / GETTY IMAGES

HR tech startup Deel filed an amended complaint on Tuesday in its ongoing legal battle against its archrival Rippling that offers surprising new details about its own corporate spying allegations.

Rippling [sued Deel in March](#) after a Rippling employee testified in an Irish court that he was spying on his employer for the rival [in an affidavit that reads like a Hollywood movie](#). Rippling’s lawsuit alleges misappropriation of trade secrets, tortious interference, unfair competition, and more, largely based on the spying allegations.

Deel has [since countersued](#), attempting to get the suit dismissed for technical reasons, but also making its own allegations, like that Rippling has also been spying. This amended complaint offers more details on what Deel means by that.

Specifically, it alleges that one of Rippling’s employees, who holds the job title of Competitive Intelligence, “spent six months impersonating a legitimate Deel customer to gain unauthorized access to Deel’s systems to meticulously analyze, record, and copy Deel’s global products and the way Deel does business for Rippling’s own benefit and use.”

The lawsuit is also full of insults hurled at Rippling’s CEO, Parker Conrad, and mentions his troubles at his previous company, Zenefits. At times, the complaint ventures into psychoanalysis territory. “To understand Conrad is to understand Rippling,” the suit claims.

It then goes on to speculate that Rippling has targeted Deel because Conrad is angry at Zenefits' VC backer, Andreessen Horowitz: "Sadly, it is now apparent that Conrad has made it his life's goal to exact misguided and petty revenge on those connected with Andreessen, including Deel, in which Andreessen owns a 20% share."

And the complaint alleges that "Rippling has planted false and misleading claims about Deel in the press and with regulators across the country."



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This appears to stem from 2023, when U.S. Senator [Adam Schiff posted a public letter](#) asking the U.S. Department of Labor to look into how Deel was classifying workers. This after Business Insider [published](#) an investigation on the matter. Deel [denied wrongdoing](#) at the time and said a discussion with Schiff put the matter to bed.

The amended complaint also provides at least one financial tidbit; Deel says it has been profitable for years and is generating over \$1 billion in annual revenue.

A spokesperson for Rippling says that the company is looking into the specific allegations of how the employee gathered product intelligence as described in the complaint. The spokesperson tells us that "Rippling is unwavering in our commitment to fair competition and the highest ethical standards. We expect full compliance as described clearly in our written policies."

The spokesperson also alleges that the revised complaint “backtracks” from some of the assertions in the original, including removing wording that implied Rippling had somehow obtained access to Deel’s board-level information.

While the lawsuit is an entertaining read (here’s [a link to it](#)), about the level of a typical Bravo network reality TV show, Deel appears to be attempting to make a tit-for-tat case about corporate spying. But the two sets of allegations are not about the same thing.

Rippling is accusing Deel of paying an employee to gather information from Rippling’s internal network. The employee, who confessed to spying, has testified that he gave Deel information that included sales leads, product roadmaps, customer accounts, names of superstar employees, and whatever else was asked for.

Deel is accusing Rippling of unfairly learning about its product and features from the product itself as well as the information it gives to its customers. Competitors have been buying each other’s products as a way to keep tabs, one-up, and sell against each other since the beginning of time. So it will be interesting to see how the courts handle Deel’s lawsuit — if they rule that such tactics can go too far.

In the meantime, Rippling’s alleged catching of the corporate spy — which involved a trap, a smashed phone, and a honeypot — has already slipped into the tech industry’s cultural lexicon.

When Y Combinator grad Cotool launched an agentic security platform last month that, among other things, sets up honeypots, its [ad was a spoof on how Rippling’s](#) corporate spy said he was caught.

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**Julie Bort**

Venture Editor

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